made by these Ministries/Departments is maintained by this Ministry. However, while exercising these powers, Ministries/Departments are required to ensure compliance of extant Rules governing purchase procedures as laid down in GFRs. The Competent Authority while exercising powers under these Rules are required to ascertain the reasonableness of rates, quality and specifications before making purchases from any source.

Reconstruction of infrastructure sectors in Gujarat

4326. SHRI KANJIBHAI PATEL: Will the Minister of FINANCE be pleased to state:

(a) the financial assistance approved by the Central Government to the State Government of Gujarat for reconstruction of infrastructure sectors damaged in floods of 2005 and 2006;

(b) whether Government are aware that CRF/NCCF provisions do not take into account permanent reconstruction, drought proofing and mitigation requirements in infrastructure sector damaged in natural calamities and the entire burden is to be borne by the State Government; and

(c) if so, the steps are being taken to provide financial assistance to State Government to rehabilitate and reconstruct the infrastructure damage as a result of natural disasters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Ministry of Home Affairs (MHA) has received the report of the Inter-Ministerial Committee (IMC) in April, 2007 with regard to financial assistance for long term rehabilitation and reconstruction of severely damaged infrastructure due to natural calamities in 2005 for the State of Gujarat. The detailed sector-wise break up of requirement of funds as assessed by IMC is as under:—

Health	Rs. 41.38	crores
Urban Infrastructure	Rs. 149.01	crores
Water Resources/ supply/Irrigation	Rs. 43.75	crores
Power/Energy	Rs. 577.76	crores
Road & Building	Rs. 446.00	crores
Housing	Rs. 50.00	crores
TOTAL:	Rs. 1307.90	crores

The matter has been referred back to IMC seeking clarification/additional information on the time frame for reconstruction of damaged infrastructure. Upon receipt of clarification/additional information, the matter shall be processed for approval of Cabinet after seeking High Level Committee's recommendation on the assessment done by IMC.

For deciding the quantum of financial assistance for long-term rehabilitation and reconstruction of severely damaged infrastructure due to natural calamities in 2006, the Government of Gujarat has yet to send their requirements.

(b) and (c) At present the relief assistance to the States affected by natural calamities is provided under the two funds namely, Calamity Relief Fund (CRF) and National Calamity Contingency Fund (NCCF), in accordance with the Scheme of CRF/NCCF notified by the Ministry of Finance based on the recommendations of the 12th Finance Commission. As per the Scheme, the financial assistance under the CRF/NCCF is provided for rescue and relief operations as well as repair/restoration of damaged infrastructure of immediate nature only. The expenditure on restoration/reconstruction of damaged infrastructure and capital assets is to be met from the normal budgetary heads, except when it is to be incurred as part of providing immediate relief. The provision for disaster preparedness and mitigation is required to be built into the State Plans and not as a part of calamity relief.

The High Level Committee (HLC) in its meeting held on 8th October and 7th Dec., 2005 *inter-alia* recommended for setting up of an Inter-Ministerial Committee (IMC) to consider the financial requirements of the States severely affected by floods during 2005 for long term rehabilitation and reconstruction works. The HLC in the meeting held on 8th December, 2006 decided that the scope of the existing IMC may be extended to look into the requirements of funds for long term rehabilitation and reconstruction of damaged infrastructure of the States/UTs severely affected by heavy rains/floods etc. during 2006 also.

Changes in FEMA Regulations

4327. SHRIMATI SHOBHANA BHARTIA:
SHRI VIJAY J. DARDA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are examining the possibility of redefining foreign investment policy which will require changes in the Foreign Exchange